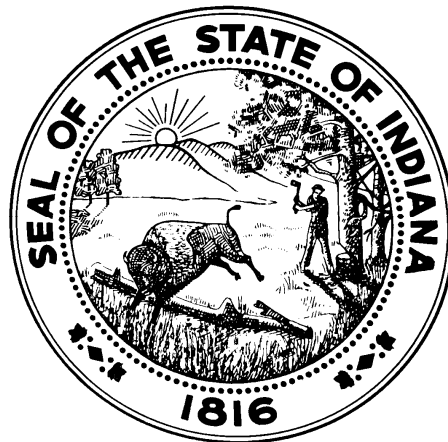


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
TOWN OF BROWNSBURG
HENDRICKS COUNTY, INDIANA
January 1, 2006 to December 31, 2006



FILED
12/19/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Jeanette M. Brickler	01-01-06 to 12-31-07
President of the Town Council	Charles E. Ratliff Mike Green	01-01-06 to 12-31-06 01-01-07 to 12-31-07
Superintendent of Water Utility	Kevin Servies	01-01-06 to 12-31-07
Superintendent of Wastewater Utility	Kathy Dillon	01-01-06 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF BROWNSBURG, HENDRICKS COUNTY, INDIANA

We have examined the financial information presented herein of the Town of Brownsburg (Town), for the period of January 1, 2006 to December 31, 2006. The Town's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Town for the year ended December 31, 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. The Schedule has not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

October 18, 2007

TOWN OF BROWNSBURG
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2006

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 1,596,157	\$ 7,506,471	\$ 7,475,530	\$ 1,627,098
Fire Territory Operating	2,656,242	7,133,998	7,169,211	2,621,029
Motor Vehicle Highway	210,020	1,100,476	1,105,521	204,975
Local Road and Street	374,227	204,528	100,995	477,760
Park and Recreation	9,244	1,494	-	10,738
Park Nonreverting Operating	103,618	372,468	261,080	215,006
Investigation	18,000	729	-	18,729
Unsafe Building	43,606	2,823	-	46,429
Criminal Investigation	4,005	-	-	4,005
Drug Enforcement/Education	9,524	-	-	9,524
Law Enforcement Continuing Education	44,289	9,487	-	53,776
Clerk's Records Perpetuation	10,681	7,224	12,965	4,940
Economic Development	2,935,640	1,632,133	2,594,677	1,973,096
Non-Budget	362,325	100,155	408,136	54,344
Insurance - Other	9,543	20,483	4,444	25,582
Fire Service Fee	1,732	-	1,588	144
1% Food and Beverage Tax	127,711	424,800	246,421	306,090
Building Debt	13,135	400,365	380,369	33,131
Fire Equipment	1,076,586	637,944	169,000	1,545,530
Cumulative Capital Improvement	309,642	68,740	-	378,382
Cumulative Capital Development	569,416	304,629	209,371	664,674
Build Indiana	1,185	-	-	1,185
CEDIT Capital Projects	1,523,080	1,585,108	831,628	2,276,560
Fire Grant	1,050	3,284	3,170	1,164
Fire Non-Budget	1,414	3,363	3,363	1,414
Fire Insurance Claims	6,485	220,948	36,934	190,499
Fire Gift	8,154	21,624	-	29,778
Riverboat	275,876	105,531	82,759	298,648
Rainy Day	681,286	35,182	-	716,468
Municipal Complex	1,118,286	87,298	528,319	677,265
Redevelopment Authority	153,572	479,558	306,965	326,165
Proprietary Funds:				
Water Utility - Operating	2,013,555	2,951,723	2,775,887	2,189,391
Water Utility - Depreciation	156,339	-	-	156,339
Water Utility - Bond and Interest	192,328	132,000	131,983	192,345
Water Utility - Customer Deposit	534,927	91,047	57,066	568,908
Wastewater Utility - Operating	2,275,923	2,695,449	3,040,522	1,930,850
Wastewater Utility - Bond and Interest	185,536	480,000	436,554	228,982
Wastewater Utility - Construction	1,384,471	70,973	-	1,455,444
Wastewater Utility - Depreciation	488,422	-	-	488,422
Self Insurance	81,864	1,647,607	1,321,330	408,141
Fiduciary Funds:				
Police Officers' Pension	467,277	165,048	134,935	497,390
Payroll	73,084	9,751,166	9,779,434	44,816
Two Brother	5,000	-	5,000	-
County Court	-	52,836	52,836	-
LECEF	38,204	59,605	62,995	34,814
Town Court	299,237	760,899	926,838	133,298
Totals	<u>\$ 22,451,898</u>	<u>\$ 41,329,196</u>	<u>\$ 40,657,826</u>	<u>\$ 23,123,268</u>

The accompanying notes are an integral part of the financial information.

TOWN OF BROWNSBURG
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Town was established under the laws of the State of Indiana. The Town provides the following services: public safety, health and social services, culture and recreation, water, wastewater, and general administrative services.

Note 2. Fund Accounting

The Town uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Town in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Town on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Town to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

TOWN OF BROWNSBURG
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plans

A. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

1. Public Employees' Retirement Fund

Plan Description

The Town contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the primary government authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF.

2. 1925 Police Officers' Pension Plan

Plan Description

The Town contributes to the 1925 Police Officers' Pension Plan which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

TOWN OF BROWNSBURG
NOTES TO FINANCIAL INFORMATION
(Continued)

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute.

The use of the pay-as-you-go actuarial cost method by the Town results in significant underfunding of the plan.

B. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The Town contributes to the 1977 Police Officers' and Firefighters' Pension and Disability Fund, a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Employees' Retirement Plan (PERF) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting and requirements for contributions by employers and by employees. Covered employees may retire at age 55 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 55. The plan also provides for death and disability benefits.

PERF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Costs

Plan members are required to contribute 6% of the first-class police officers' and firefighters' salary and the Town is to contribute at an actuarially determined rate. The current rate, which has not changed since the inception of the plan, is 21% of the first-class police officers' and firefighters' salary. The contribution requirements of plan members and the primary government are established by the Board of Trustees of PERF.

TOWN OF BROWNSBURG
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
December 31, 2006

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Town Municipal Complex	\$ 17,225,000	\$ 1,038,843
North Fire Station	356,765	62,200
Police Station	1,009,889	130,500
Downtown Fire Station	765,510	98,921
Fire Training Facility	1,161,260	96,423
Notes and loans payable		
2003 Police Vehicles	21,425	21,595
2004 Police Vehicles	113,598	64,431
Bonds payable:		
Revenue bonds:		
Northfield Drive	3,740,000	393,590
Northfield Drive II	1,485,000	297,153
Total governmental activities debt	<u>\$ 25,878,447</u>	<u>\$ 2,203,656</u>
Business-type Activities:		
Water Utility		
Revenue bonds:		
2003 Water Improvements	\$ 1,760,000	\$ 129,932
Total Water Utility	<u>1,760,000</u>	<u>129,932</u>
Wastewater Utility		
Notes and loans payable		
SRF Loan	4,640,000	435,960
Total Wastewater Utility	<u>4,640,000</u>	<u>435,960</u>
Total business-type activities debt:	<u>\$ 6,400,000</u>	<u>\$ 565,892</u>

TOWN OF BROWNSBURG
OTHER REPORT

The report presented herein was prepared in addition to another official report prepared for the individual Town office listed below:

Town Court

TOWN OF BROWNSBURG
EXIT CONFERENCE

The contents of this report were discussed on October 18, 2007, with Jeanette M. Brickler, Clerk-Treasurer; and William Sibbing, Town Council member. Our examination disclosed no material items that warrant comment at this time.